



**LAURIETON WALKWAY
CONTRIBUTIONS PLAN**



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Version	Adopted	Commenced	Repeal	Notes
1.0	16/09/1996	16/10/1996		
1.1	07/03/2005	16/03/2005		Amended to incorporate new policy on deferral of payment of contributions.

PURPOSE OF THE PLAN

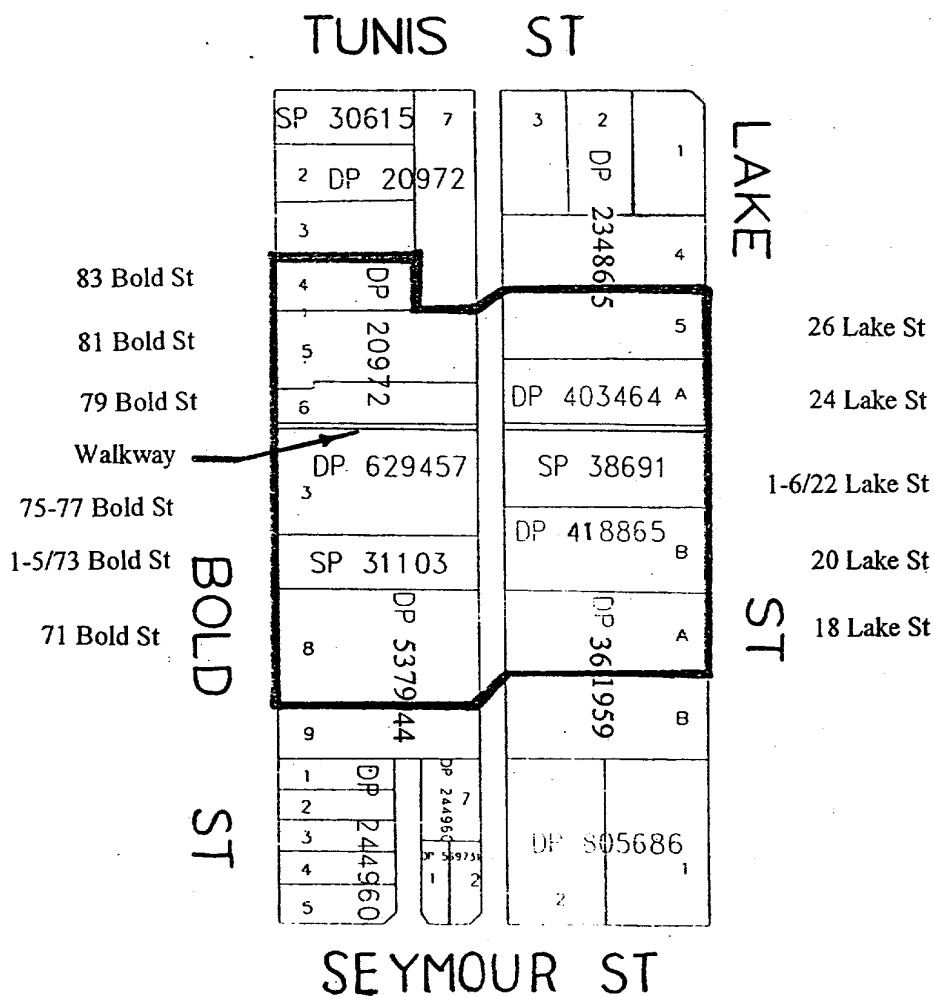
The purpose of this Plan is to enable Council to levy Section 94 Contributions towards the recoupment of costs for the provision of a walkway in Laurieton. This walkway completed the pedestrian link between Lake and Bold Streets, via the rear laneway parking area, allowing an access for the customers from the car park to the premises.

It was intended that the Plan would clearly indicate to prospective non-residential developers in Laurieton, the reasoning and procedure for Council applying the provisions of Section 94 of the Environmental Planning & Assessment Act 1979, as amended.

LAND TO WHICH THIS PLAN APPLIES

This Plan applies to selected land within Laurieton, bounded by Tunis, Bold, Lake and Seymour Streets and as shown enclosed by the bold outline in Figure 1.

Figure 1: Land to Which the Plan Applies



NEXUS

Council has a statutory right to recoup expended funds for public infrastructure. Under Section 94 of the Environmental Planning & Assessment Act, Council may grant consent to a development application subject to a condition requiring the payment of a monetary contribution towards the cost of providing the public amenity. The recoupment is subject to the public amenity being provided in preparation for, or, to facilitate the carrying out of development and, that the subject development, if carried out, will benefit from the provision of the public amenity. The walkway, the basis for this Contributions Plan, meets these requirements.

The public amenity, in this case, is the walkway which was purchased, already constructed, in preparation for and to facilitate non-residential development on the nominated properties in accordance with the Business 3(a) and Special Use 5(a) zonings. The walkway completed the pedestrian link between Lake and Bold Streets, via the rear laneway parking area. The walkway provides pedestrian and disabled person's access from the parking area in the rear laneway to the premises outlined in Figure 1. Without the provision of this mid-block walkway, customers parking in the rear laneway car parks would have to walk the length of the laneway to either Tunis or Seymour Streets and then to Bold or Lake Streets. The provision of the walkway improves the amenity for the property's customers and offers an opportunity to attract financial benefit from passing trade.

Council wishes to recoup its expenditure for the provision of the walkway as public infrastructure and has created this Section 94 Contributions Plan to do so.

METHODOLOGY

The lots denoted in Figure 1 were assessed proportionately in terms of Probable Usage of the walkway and an estimation of each site's potential redevelopment size was made. The estimation involved choosing a nominal value for one site and making comparative assessment of the remaining sites. The Relative Benefit per site was then calculated from the product of the Probable Usage and the Site Potential.

$$\text{Relative Benefit} = \text{Probable Usage} \times \text{Site Potential}$$

Once the Relative Benefit for each site was known, it was converted to a percentage denoting the Relative Contribution per site. The tabulated calculations can be seen in Table 1.

It should be noted that the 'Site Potential' is not an accurate prediction of future floor area and does not limit future redevelopment size. The 'Site Potential' is a nominal comparative of the future redevelopment size.

Table 1: Relative Contribution Calculation

Property	Probable Usage Factor (%)	Site Potential - nominal value	Relative Benefit from Access	Relative Contribution (%)¹
Lot 4 DP20972	50	65	32.5	6.57
Lot 5 DP20972	80	85	68	13.74
Lot 6 DP20972	100	60	60	12.12
Lot 3 DP629457	100	120	120	24.24
SP 31103	80	70	56	11.31
Lot 8 DP537944	50	135	67.5	13.64
Lot 5 DP234865	10	85	8.5	1.72
Lot A DP403464	30	75	22.5	4.55
SP 38691	30	100	30	6.06
Lot B DP418865	20	100	20	4.04
Lot A DP361959	10	100	10	2.02
TOTAL			495	100%

Note 1 - These values have been rounded to two decimal places

THE ACQUISITION/WORK SCHEDULE

The Acquisition/Work Schedule in Table 2 lists the costs associated with the provision of the walkway. The walkway compensation has already been expended, the legal costs are currently ongoing but near completion and the laneway crossing is future programmed work. The legal costs and laneway crossing work are both expenditure estimations.

The items in the Acquisition/Work Schedule are summaries of expenditure. The walkway compensation item includes the compensation for the loss of land as well as reimbursement for the walkway construction. The legal costs item estimates the subdivision application, surveying, solicitors and plan registration expenditure borne by Council, some of which have already been made. The laneway crossing work includes the purchase and placement of crossing warning signs and the painting of the crossing.

Table 2: The Walkway Acquisition/Work Schedule

Item Description	Cost (\$)	Timing
Walkway Compensation/Purchase	41,608	1995/96
Legal Costs for walkway & laneway crossing works	3,000	1996/97
TOTAL	\$44,608	

A sketch of the walkway location can be seen in Figure 2 and the walkway general design can be seen in Figure 3.

Figure 2: The Walkway Location Sketch Plan

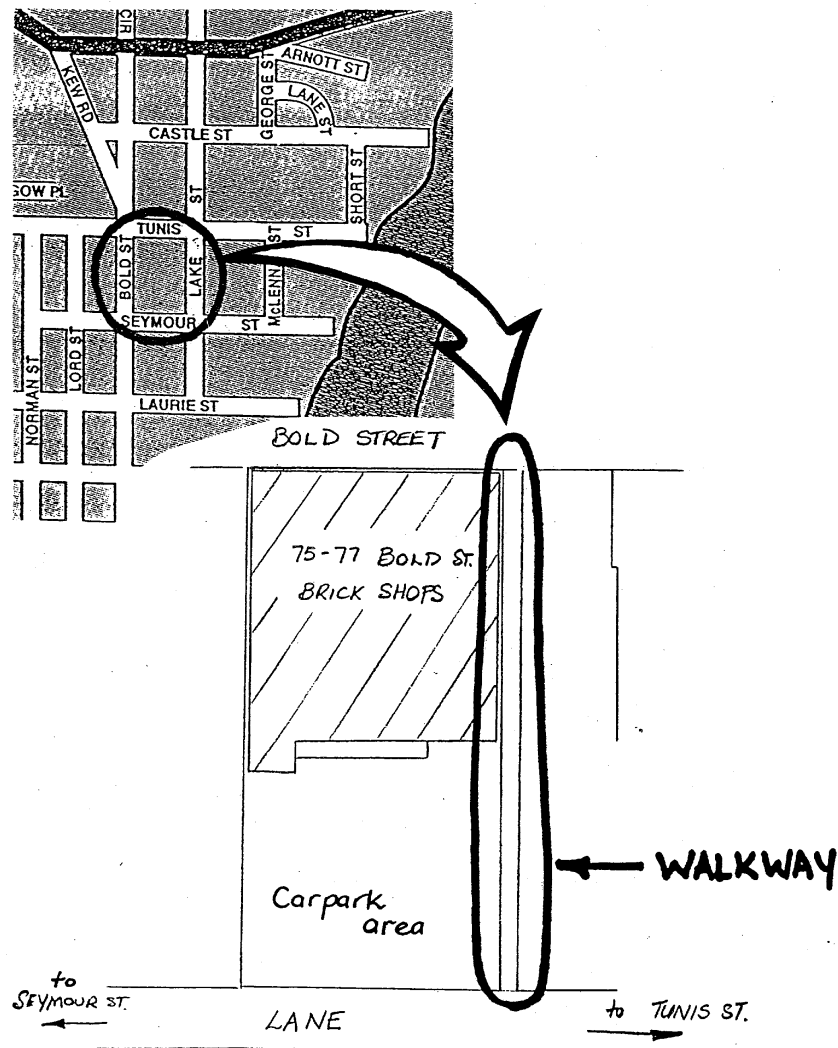
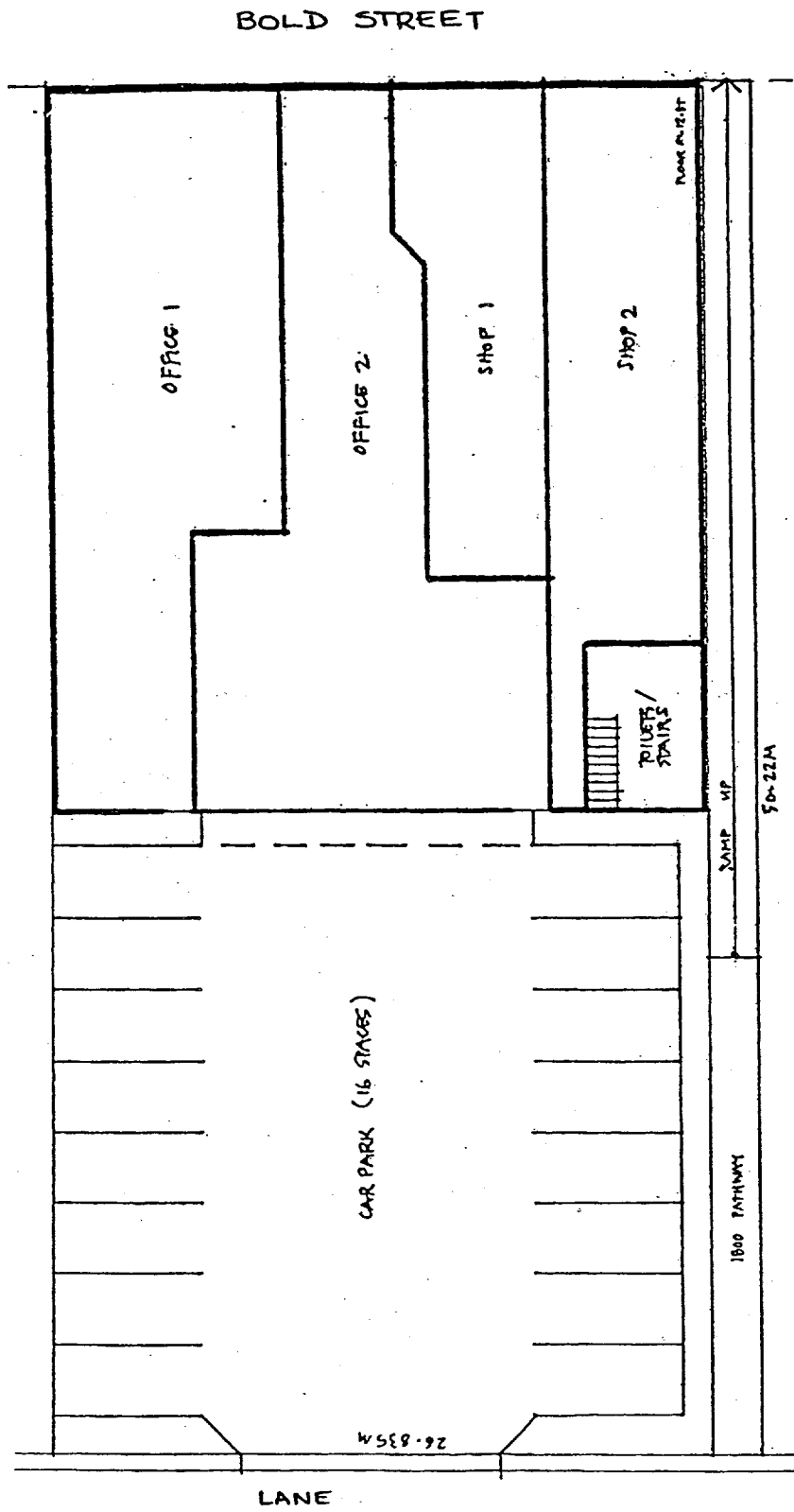


Figure 3: The Walkway Design Sketch Plan



CALCULATION OF THE CONTRIBUTIONS

The contribution for each site was calculated knowing the Relative Contribution of each site as calculated in Table 1 and the Total Cost of the walkway from Table 2. The Applicable Contribution per site can be seen below in Table 3.

Table 3: Applicable Contribution per Site

Property No. & Street	Lot/DP	Relative Contribution (%)	Applicable Contribution (\$)¹
83 Bold	Lot 4 DP20972	6.57	2,928.81
81 Bold	Lot 5 DP20972	13.74	6,127.97
79 Bold	Lot 6 DP20972	12.12	5,407.03
75-77 Bold	Lot 3 DP629457	24.24	10,814.06
1-5/73 Bold	SP 31103	11.31	5,046.56
71 Bold	Lot 8 DP537944	13.64	6,082.91
26 Lake	Lot 5 DP234865	1.72	766.00
24 Lake	Lot A DP403464	4.55	2,027.64
1-6/22 Lake	SP 38691	6.06	2,703.52
20 Lake	Lot B DP418865	4.04	1,802.34
18 Lake	Lot A DP361959	2.02	901.17
TOTAL		100%	\$44,608

Note 1 - Slight differences between the Applicable Contribution amount and the Relative Contribution (%) are due to rounding

WHO PAYS THE CONTRIBUTIONS?

A range of land uses are permissible within the 3(a) and 5(a) zones, however, only development approvals for non-residential land uses will attract a contribution for the recoupment of the walkway cost. Contributions will also be payable for a change of use approvals from residential to non-residential.

Wholly residential developments will not attract Walkway Contributions. Non-residential Developments Approvals of any size and type will attract the Applicable Contribution listed in Table 3.

WHEN ARE CONTRIBUTIONS PAID?

Contribution rates shall be determined at the Development Application stage and paid prior to the granting of the building approval, where building works are proposed. Where a change of use is proposed or no Building Application is required, the consent shall be subject to payment of the contribution prior to commencement of the new use.

HOW ARE CONTRIBUTIONS RECEIVED AND VALUED?

Section 94 of the Environmental Planning & Assessment Act 1979, as amended, provides that Council may receive the contributions in the following forms:

- (i) As a direct cash contribution according to the formula relating to that form of public infrastructure, ie the walkway.
- (ii) Dedication of land to the value, or part thereof, of the total cash contribution.
- (iii) Provision of a material public benefit to the estimated value, or part thereof, of a cash contribution.

The first two cases are relatively straightforward methods; the only requirement in the second case is that Council and the developer agree on the value of the land which is being dedicated. This will require the input of a certified valuer at the cost of the developer.

The provision of a material public benefit is a relatively new provision in the Act and has been included to allow some flexibility in the way developers pay their contributions. While often relating to large developments where many lots are being created, a material public benefit may be in the form of a developer actually building a sports facility rather than paying the contribution. If Council accepted the *material public benefit*, documentary evidence would need to be presented in a form suitable for inclusion in Council's assets register and to allow Council to value the benefit. Any such Development Application would need to be accompanied by a statement of public benefit to enable Council to consider the proposal. This statement would need to include information about the numbers and characteristics of people who would use or benefit from the facility or service to be provided. In addition, information would need to be provided to allow a nexus to be established between the benefit and contribution against which it is offset.

Council, at its own discretion, may accept *works-in-kind* from a developer in lieu of cash contributions where the works-in-kind form part of Council's overall planning for the locality, or it can be demonstrated that acceptance of the works-in-kind would be of significant benefit to the

community. Works-in-kind can be in the form of the provision of land, or the construction of physical improvements or infrastructure over and above the normal requirements.

Where the provision was in the form of land, a valuation provided by a registered valuer, at the developer's expense, would be required for Council to evaluate the offset against the contribution. If the in-kind contribution was in the form of the provision of physical improvements or infrastructure, documentary proof of the cost of the work would need to be produced to Council's satisfaction, in a form suitable for inclusion in Council's asset register.

Where the Crown acts as a private developer, it will be expected to pay a level of contribution equal to the private sector.

INDEXATION AND REVIEW OF CONTRIBUTIONS

Council will adjust the contribution amount on a quarterly basis. This would involve the contribution being increased by the current Consumer Price Index (CPI) as published by the Australian Bureau of Statistics to ensure that all Section 94 contributions are protected in real terms and are not eroded by inflation.

The life of this Plan is to be ten (10) years and it is intended to review it every two or three years to ensure the CPI adjustments are reflecting the 'real' cost of the acquisition. The review would also encompass an assessment of the recoupment recovery rate.

ACCOUNTING PROCEDURES

A special reserve will be established in the asset register that will hold contributions paid and which will accrue interest on these funds. In a recoupment Section 94 Plan, where expenditure precedes the receipt of the contributions, details of the money expended and the source of these funds is recorded. This will establish the basis for placing contributions subsequently received into the funds, which sourced the money expended.

DEFERRAL OF PAYMENT OF CONTRIBUTIONS

Council will allow the deferral of the payment of Development Contributions involving the construction of a building subject to:

- i) Lodgement of an irrevocable guarantee for the amount of the contributions plus an additional 12 month interest amount calculated at the average rate of Council's investments performance over the past 12 months plus 1%.
- ii) The maximum period for which the guarantee will be accepted is the sooner of 12 months or the issue of an occupation certificate for the development.
- iii) Guarantees will only be accepted from an institution approved by the Manager Corporate and Financial Planning.
- iv) If at the end of the period for the lodgment of the guarantee, the outstanding

contributions plus the additional amount referred to in 'i' have not been paid, Council will call in the guarantee without further reference to the applicant.

- v) A prorata reduction in the amount referred to in 'i' will be allowed for payment of the outstanding contributions within 12 months or the calling in of the guarantee within 12 months.
- vi) The guarantee is to provide for Council to unconditionally call in the guarantee for the full amount at any time.

